



GOVERNMENT
DEVELOPMENT
BANK FOR
PUERTO RICO

PO Box 42001

San Juan, PR 00940-2001

Telephone (787) 722-2525

November 10, 2009

Mr. Rubén A. Hernández Gregorat
Executive Director
Puerto Rico Highway and Transportation
Authority
Roberto Sánchez Vilella Government Center
South Building, 17th Floor
Santurce, PR 00907

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SECTION 1
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Dear Mr. Hernández:

The Board of Directors of the Government Development Bank for Puerto Rico (the Bank), adopted Resolution 9179-A to authorize a non-revolving credit facility of \$148,900,000 to the Puerto Rico Highway and Transportation Authority (the Authority) to pay certain costs incurred or to be incurred in the acquisition, construction, equipping, installation and development of the authority's facilities and authorizing related action in connection therewith and (II) to pay other suppliers; and authorizing related actions in connection therewith.

This facility is subject to the following terms and conditions:

1. Financing for the benefit of the Authority in an amount not to exceed \$148,900,000, solely for the purpose of (i) paying certain costs incurred or to be incurred in the acquisition, construction, equipping, installation and development of certain additional improvements to the Authority's facilities included in the Project, which shall not exceed \$41,600,000.00 and \$69,400,000.00 for fiscal years 2009 and 2010, respectively; and (ii) paying certain other suppliers of the Authority, which shall not exceed \$37,900,000.00 (collectively, the "Permitted Expenses").
2. The principal amount of the Loan shall mature and be due and payable on August 30, 2011. Said principal amount shall be payable solely from proceeds of bonds to be issued by the Authority pursuant to the provisions of the respective sections of the Resolutions or from any available moneys of the Authority. The President of the Bank is hereby authorized to extend further, if necessary, the maturity date of the Loan from time to time, but in no event will the maturity of the Loan be extended beyond August 30, 2013. The Loan shall bear interest until paid in full at a rate or rates per annum determined in accordance with the Loan Agreement, to be entered by and between the Bank and the Authority (the "Loan Agreement"). Interest shall be payable monthly in arrears not later than the tenth Banking Day (as defined in the Loan Agreement) following receipt from the Bank of the statement referred to

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in the next sentence of this paragraph, from any available moneys of the Authority. Each month the Bank shall furnish to the Authority a written statement showing the amount of interest due and payable by the Authority on the Loan for the preceding month. The Authority may prepay the Loan at any time without penalty or premium. The Loan shall be junior and subordinate to outstanding bonds of the Authority and shall be subject to certain other terms and conditions, to be included in the Loan Agreement.

3. The Loan Agreement and the Loan shall be subject to the terms of the Fiscal Oversight Agreement, dated as of July 6, 2009, between the Authority and the Bank (the "Fiscal Oversight Agreement"). The Lender and the Borrower agree to execute any required amendments to the Fiscal Oversight Agreement to evidence their agreement. The Borrower shall from time to time, upon request by the Lender, promptly provide the Lender with such information as to its finances and operations as the Lender shall reasonably request pursuant to the terms of the Fiscal Oversight Agreement.
4. The execution and delivery by the President, the Executive Vice President, any Senior Vice President, or any Vice President of the Bank, of the Loan Agreement by and between the Bank and the Authority are hereby authorized. Upon the execution and delivery of the Loan Agreement, the Authority shall execute a note in the principal amount of the Loan.
5. If there is no disbursement activity on this additional loan for a period of six months after its approval by the Board of Director of the Bank, the loan shall be cancelled automatically.
6. This Resolution is intended to be a declaration of official intent under U.S. Treasury Department Regulation Section 1.150-2.
7. The President, the Executive Vice President, any Senior Vice President, or any Vice President of the Bank are hereby authorized to take all actions necessary of them to carry out the provisions of this Resolution, and to include other terms and conditions necessary to protect the Bank's interest.

If you agree with these terms and conditions, please sign and return to us the copy enclose.

Cordially,


Javier Ramos Luiña
Financing Principal